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TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS

USDEL MTN GENEVA

C O N F I D E N T I A L STATE 105616

FOL REPEAT OF USUN 1475 TO SECSTATE MAY 2

QTE:

C O N F I D E N T I A L USUN 1475

E.O. 11652: GDS

TAGS: UNGA, EGEN

SUBJECT: LATIN AMERICAN ISSUES IN G-77

REF: (A) STATE 092567

(B) USUN 1368

1. SUMMARY: IRANIAN PERMREP HAS PUT FORWARD THESIS THAT PRINCIPAL MOTIVATING FORCE WITHIN G-77 IS WESTERN HEMISPHERE DISPUTES, CITING AS EXAMPLES THE CERDS NEGOTIATIONS AND BRAZILIAN ACTIVISM. USUN SHARES IRANIAN VIEW TO SOME EXTENT. DISPROPORTIONATE LATIN INFLUENCE CAN BE EXPLAINED BY COMPETENCE OF THEIR DELEGATIONS TO ECONOMIC FORA AND TO RELATIVELY ADVANCED STATUS OF THEIR NATIONAL ECONOMICS. IRANIANS OBVIOUSLY CONCERNED THAT G-77, PRESENTLY CHAIRED BY MEXICANS, CONTINUES TO LOSE GROUND IN ITS COMPETITION WITH NON-ALIGNED MOVEMENT (NAM). END SUMMARY

2. IN COURSE OF AMB HOVEYDA'S CONVERSATION WITH AMB SCALI APRIL 24, AMB HOVEYDA ELABORATED ON HIS STATEMENT QUOTED REFTEL CONFIDENTIAL

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B REGARDING LATIN AMERICAN ROLE IN G-77. IN ANSWER TO AMB BENNETT'S QUESTION, AMB HOVEYDA RECALLED THAT THE PROLONGED NEGOTIATIONS ON THE CHARTER OF ECONOMIC RIGHTS AND DUTIES OF STATES (CERDS) WERE IN LARGE MEASURE RELATED TO

DIFFICULTIES BETWEEN THE US AND CERTAIN LATIN AMERICAN STATES, MEXICO AND BRAZIL IN PARTICULAR. SINCE CERDS DOMINATED THE LAST HALF OF THE MEETING OF THE ECONOMIC COMMITTEE OF THE 29TH GA, AMB HOVEYDA'S COMMENTS AND REFLECTIONS BEAR SOME TRUTH IN THE UN CONTEXT. HOVEYDA STRESSED HIS VIEW THAT BRAZILIAN ACTIVISM MOTIVATED BY BRAZILIAN DESIRE TO PLAY LARGE ROLE IN INTER-HEMISPHERE POLITICS. IT IS QUITE CLEAR THAT AMB HOVEYDA WAS THINKING IN TERMS OF ECONOMIC ISSUES WHEN HE MADE THE COMMENT TO AMB BENNETT AS REPORTED REFTEL A.

3. USUN HAS THE ADDITIONAL FOLLOWING THOUGHTS ON THE SUBJECT:

(A) LATIN AMERICAN INFLUENCE IN THE G-77 HAS BEEN MORE IMPORTANT ON ECONOMIC ISSUES THAN THAT OF ASIAN OR AFRICAN MEMBERS. CLEARLY ONE OF THE REASONS THAT THIS IS TRUE IS THE OBJECTIVE FACT THAT LATIN AMERICAN, TAKEN AS A WHOLE, HAS PROGRESSED FASTER ALONG THE ROAD OF ECONOMIC DEVELOPMENT AND THUS HAS ENCOUNTERED AND UNCOVERED PROBLEMS OF INTERNATIONAL ECONOMIC COOPERATION SOONER THAN HAVE OTHER GEOGRAPHIC GROUPINGS. ANOTHER IS THAT LA DELEGATIONS TO THE UN ECONOMIC FORA HAVE ON THE WHOLE BEEN STRONGER THAN THOSE OF AFRICA AND ASIA. A NOTABLE EXAMPLE UNTIL RECENTLY WAS THE CHILEAN DELEGATION. THAT ONE DELEGATION MANAGED DURING THE ALLENDE PERIOD TO INTRODUCE IN TO THE UN OR HEATED UP TWO OF THE MOST HOTLY CONTESTED ECONOMIC ISSUES OF THE DAY: THE ROLE OF MULTINATIONAL CORPORATIONS (INVOLVING THE BROADER QUESTION OF THE ROLE OF FOREIGN INVESTMENT); AND THE EXERCISE OF PERMANENT SOVEREIGNTY OVER NATURAL RESOURCES. THE LATINS MOREOVER HAVE A NUMBER OF VERY STRONG DELEGATIONS IN ECONOMIC UN FORA. OUTSTANDING ARE THOSE OF THE BRAZIL, ARGENTINA, VENEZUELA, GUYANA, JAMAICA AND MEXICO. NO OTHER UNDERDEVELOPED CONTINENT CAN MATCH EXCELLENCE AND DEPTH OF DELEGATIONS FIELDER BY LATIN AMERICAN GOVERNMENTS IN UN ECONOMIC FORA.

(B) IRAN HAS BEEN A JOHNNY-COME-LATELY TO POSITIONS OF PROMINENCE IN UN ECONOMIC FORA. THE PINNACLE OF IRAN'S SUCCESS OCCURRED AT THE SIXTH SPECIAL SESSION. AMB HOVEYDA
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MANAGED, FOR ALL PRACTICAL PURPOSE, TO DOMINATE PUBLIC EVENTS (ALTHOUGH NOT THE CORRIDORS OR THE BACK ROOMS) THROUGH HIS POSITIONS AS (1) CHAIRMAN OF THE NY G-77 AND (2) CHAIRMAN OF THE AD HOC COMMITTEE OF THE SPECIAL SESSION. HOVEYDA OBVIOUSLY RELISHED HIS POSITION AND HIS INFLUENCE. HIS POSITION IN THE SUBSEQUENT MONTHS SLIPPED. SURELY ONE OF THE REASONS HE EXPRESSED THE VIEW CONCERNING THE LATIN AMERICAN ROLE IN THE UN IS THAT HE IS PAINFULLY AWARE OF THIS SLIPPAGE AND THAT LATINS HAVE TAKEN UP THE SLACK. (C) THE MEXICANS, WHO PRESENTLY PRESIDE OVER THE G-77 IN NY, ARE THE MOST VISIBLE COMPETITION TO HOVEYDA'S POSITION IN THE G77. USMISSION OFFICERS HAVE BEEN TOLD BY BOTH IRANIANS AND MEXICANS THAT HOVEYDA IS ANXIOUS TO

REGAIN HIS OLD POSITION AS "SPOKESMAN" FOR THE G-77.
THERE SEEMS TO BE SOME CONCERN INDEED IN THE G-77, EXPRESSED TO THE US MISSION OFFICERS BY VARIOUS MEMBERS OF THE G-77, THAT THE MEXICAN LEADERSHIP IN NY HAS BEEN INEFFECTUAL. A DELEGATE RECENTLY COMPLAINED. FOR EXAMPLE, THAT MEXICO HAD NOT CALLED FOR A FULL MEETING OF THE G-77 IN NY FOR THE LAST TWO MONTHS. THIS PARTICULAR DELEGATE SAID QUITE OPENLY THAT HE WAS UNABLE TO DEFINE THE G-77 LINE DUE TO THE LACK OF MEETING OF THAT GROUP. HE WENT ON TO EXPRESS THE VIEW THAT MEXICO SHOULD RETIRE FROM THE PRESIDENCY OF THE GROUP. THEREFORE, THERE IS EVIDENCE THAT SOME SORT OF DISPUTE REGARDING THE LEADERSHIP OF THE NY G-77 IS IN THE WIND. HOVEYDA IS SURELY EGGING ON THAT DISPUTE, IN HOPES OF PROFITING PERSONALLY FROM IT.
(D) IN OBJECTIVE TERMS, IT IS TRUE TO LARGE EXTENT THAT LATINS ARE ABLE TO DETERMINE THE DIRECTION OF THE G-77, WHEN THE G-77 IS NOT IN DIRECT COMPETITION WITH NAM, IT IS ALSO TRUE AND GENERALLY RECOGNIZED THAT THE LATINS OFTEN SURFACE ISSUES WHICH, VIEWED IN THE MOST PAROCHIAL WAY, ARISE OUT OF THEIR EXPERIENCES IN BILATERAL RELATIONS WITH THE USG. A PRIME EXAMPLE OF THIS TYPE OF ISSUE IS THE CURRENT ONE INVOLVING THE US TRADE ACT OF 1974, AND MORE SPECIFICALLY ITS PROVISIONS ON GSP. THE PROVISIONS OF THAT ACT, PROVIDING FOR EXCLUSION OF ECUADOR AND VENEZUELA, PRODUCED A HUE AND CRY FIRST IN LATIN AMERICA AND SUBSEQUENTLY IN WIDER MULTILATERAL FORUMS. THE ISSUES OF MULTINATIONAL CORPORATIONS AND PERMANENT SOVEREIGNTY ARE IN FACT ISSUES WHICH IN LARGE MEASURE GREW OUT OF
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US/LA RELATIONS. THIS GROWS OUT OF FACT THAT US CAPITAL INVESTED IN LDCA IS LARGELY CONCENTRATED IN LA. CERTAIN ISSUES PRESENTLY BEING DISCUSSED AT THE LAW OF THE SEA CONFERENCE (THE 200 MILE ECONOMIC LIMIT) WERE FIRST PUT IN FOCUS BY LATIN AMERICAN GOVERNMENTS. LARGELY AS RESULT LATIN EXPERIENCE WITH US AND US BUSINESS INTERESTS SINCE TURN OF THE CENTURY, LATINS HAVE EVOLVED ELABORATE LEGAL THEORIES AND PRACTICES (E.G., CALVO CLAUSE) WHICH THEY ARTICULATE AND PURSUE WITH GREAT VIGOR. THIS TENDS TO EXACERBATE CONFRONTATION AND HAS FROM TIME TO TIME SERVED TO RESTRICT FREEDOM OF ACTION OF THOSE LDCA WHO WOULD BE WILLING ON OCCASION TO PLAY A MODERATING ROLE. AT OTHER TIMES IT PROVIDES AN EXCUSE FOR THOSE WHO WANT TO TELL US HOW MUCH THEY WOULD TO HAVE HELPED. HOVEYDA PROBABLY COMES UNDER BOTH HEADINGS AT VARIOUS TIMES.

(E) AS REGARDS INTRA-LATIN AMERICAN DISPUTES, THERE ARE PAROCHIAL ISSUES WHICH TAKE UP AN INORDINATE AMOUNT OF UN TIME. THE DISPUTE BETWEEN BRAZIL AND ARGENTINA CONCERNING THE USE OF "SHARED" NATURAL RESOURCES WHICH STRADDLE BORDERS (OR THE "EXPLOITATION" OF RIVERS WHICH FLOW THROUGH BOTH COUNTRIES) HAS CAUSED LONG ACrimonious AND INCONCLUSIVE DEBATE AT THE

UN, IN UNEP AND AT THE NATURAL RESOURCES MEETING IN TOKYO. IN GENERAL TERMS, THIS IS NOT AT PRESENT AN ISSUE OF INTEREST OR CONCERN TO OTHER LDCS. IT IS, HOWEVER, AN ISSUE WHICH NEITHER BRAZIL NOR ARGENTINA WILL ALLOW TO DIE AND IN FACT IS OF SUCH GREAT IMPORTANCE TO THE TWO GOVERNMENTS THAT THEY MAKE CIRCULAR DEMARCHES ON GOVERNMENTS WHENEVER THE ISSUE COMES TO A VOTE IN THE UN FORA. TO A CERTAIN EXTENT, IT IS ALSO TRUE OF THE ISSUE OF THE SPECIAL TREATMENT FOR LAND-LOCKED STATES. IN THE HUMAN RIGHTS FIELD, CHILE HAS TURNED OUT TO BE THE FAVORITE WHIPPING CHILD.

(F) THERE IS A NATURAL TENSION BETWEEN THE NON-ALIGNED AND THE G-77 WHICH ARISES ESSENTIALLY FROM THE FACT THAT THE NON-ALIGNED MOVEMENT HAS "MOVED IN ON" THE G-77 TERRITORY. THE G-77 WAS AN ORGANIZATION DEVOTED EXCLUSIVELY TO ECONOMIC ISSUES. ITS ROLE, NOW THAT THE NON-ALIGNED MOVEMENT HAS "FOUND" ECONOMIC ISSUES, IS TENUOUS. BRAZILIANS SAID TO BENNETT DURING HIS RECENT VISIT IN BRASILIA THEY HAD SUFFERED VIS-A-VIS ARGENTINA ON ISSUE OF "SHARED" NATURAL RESOURCES THROUGH CONFIDENTIAL

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THEIR NOT BEING MEMBERS OF THE NON-ALIGNED. CLEARLY ONE OF THE REASONS THAT LATIN AMERICAN STATES HAVE INDICATED SUCH AN INTENSE INTEREST AND INCREASED INVOLVEMENT AT THE NON-ALIGNED MOVEMENT (NAM) IS THAT MUCH OF THE SCENE OF THE ECONOMIC ACTION HAS MOVED TO THE NAM. THIS TENDENCY HAS BEEN EVIDENCED FOR SOME TIME AND HAS BEEN MADE CLEAR AS A RESULT OF THE NON-ALIGNED COORDINATING COMMITTEE MEETING IN HAVANA AND WILL BE EVEN MORE SO FOLLOWING THE NON-ALIGNED MINISTERIAL MEETING IN LIMA IN AUGUST. IRAN, NOT BEING A MEMBER OF NAM IS INTERESTED IN STRENGTHENING THE G-77 VIS-A-VIS THE NAM.

(G) THE CUBAN ISSUE IS IN AND OF ITSELF AN EXAMPLE OF THE IRANIAN COMPLAINT. THE STATUS OF CUBA HAS BEEN A TOPIC OF INTRA-LATIN DEBATE AS WELL AS ONE DIRECTLY AFFECTING US/LATIN RELATIONS. IT IS HARD TO IMAGINE THAT IRANIANS WERE EITHER VERY CONCERNED OR AMUSED BY THE HOURS SPENT AT THE UN ON THEMES DIRECTLY OR INDIRECTLY RELATED TO THE STATUS OF CUBA.

4. CONCLUSIONS: (Q) THERE IS NO DOUBT THAT THE NY G-77 SUFFERS TO A CERTAIN EXTENT FROM A LATIN AMERICAN BIAS. (2) IF THE G-77 IS TO BE AN ENDURING ORGANIZATION, IT MUST STRENGTHEN ITSELF VIS-A-VIS THE NON-ALIGNED MOVEMENT. (E) FROM TIME TO TIME, STATES MEMBERS OF THE G-77 BUT NOT OF THE NON-ALIGNED, SUCH AS BRAZIL AND IRAN, WILL URGE THE USG TO BOLSTER THEIR EFFORTS TO STRENGTHEN THE HAD OF THE G-77. USUN BELIEVES THAT IT IS IN OUR INTEREST TO DO SO. (4) RIVALRY BETWEEN G-77 AND NAM LIKELY TO INTENSIFY IN NEXT FEW MONTHS IN FACE OF PRESSURES TO PREPARE FOR SEVENTH SPECIAL SESSION OF GA. SCALI UNQTE KISSINGER

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